

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-046-E - ORDER NO. 98-71

FEBRUARY 3, 1998

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| IN RE: Application of Lockhart Power Company for |) | ORDER |
| Approval to Decrease the Purchased Power |) | GRANTING |
| Adjustment Level in Base Rates. |) | DECREASE |

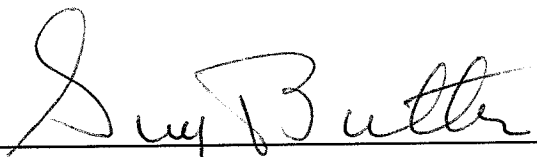
On January 28, 1998, the Public Service Commission of South Carolina (the Commission) received an Application from Lockhart Power Company (Lockhart) to make a .38 cents per kilowatthour reduction in purchased power cost from its adjustment clause to its base rates. The decrease would essentially "zero out" the adjustment and the decrease would neither increase nor decrease any customer's bill.

Lockhart's present base rates include a cost component of 3.6928 cents per kilowatthour sold for purchased power. This cost was based on a test year ended November 30, 1991 in Docket No. 91-671-E, Order No. 92-633. During 1996-1997, Duke Energy Corporation, Lockhart's supplier, implemented a significant rate reduction under the terms of a settlement agreement with its Schedule 10 customers in Federal Energy Regulatory Commission Docket No. EL95-31-000. The reduction was flowed back through to Lockhart's customers. Due to this reduction, Lockhart Power Company's cost of purchased power per KWH sold has dropped from 3.6928 cents per KWH as approved in 1992 to 3.3128 cents for calendar year 1997.


S.C. Code Ann. Section 58-27-870(F) (Cum. Supp. 1997), states that the Commission may allow rates or tariffs to be put into effect without notice or hearing, upon order of the Commission when such rates or tariffs are necessary to obtain an orderly rate administration. The Commission finds, based on the information contained in the Application, that the Application of Lockhart Power Company to decrease the purchased power adjustment level in base rates should be granted.

IT IS SO ORDERED.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)